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Tim W Hayes 02/22/2007 03:00:51 PM From DB/Inbox: Tim W Hayes

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Text:

C O N F I D E N T I A L ANKARA 00313

SIPDIS
CX:

ACTION: POL
INFO: PMA ECON DCM AMB RAO FCS PA MGT DAO CONS TSR

DISSEMINATION: POL /1
CHARGE: PROG

APPROVED: DCM:NMCELDOWNEY
DRAFTED: POL:CKRAFFT
CLEARED: POL:JWEINER/DJBURGER, PMA:MNARDI, DAO:DRENBURG/CMILLER, ODC

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PP RUEHC RUEHZL RUCNRAQ RUEKDAI RUEHAK RUEAIIA
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ZNY CCCCC ZZH
P 141147Z FEB 07
FM AMEMBASSY ANKARA
TO RUEHC/SECSTATE WASHDC PRIORITY 0949
INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE
RUCNRAQ/IRAQ COLLECTIVE
RUEKDAI/DIA WASHDC
RUEHAK/USDAO ANKARA TU
RUEAIIA/CIA WASHDC
RUEKJCS/SECDEF WASHDC//USDP:PDUSDP/ISA:EUR/ISA:NESA//
RHEHAAA/NSC WASHDC
RUEUITH/ODC ANKARA TU
RUEKJCS/JOINT STAFF WASHDC//J-3/J-5//
RUFOADA/JAC MOLESWORTH RAF MOLESWORTH UK
RHMFISS/HQ USEUCOM VAIHINGEN GE
RHMFISS/HQ USCENCOM MACDILL AFB FL
RHMFISS/425ABS IZMIR TU//CC//
RHMFISS/39ABG INCIRLIK AB TU
RUEPGAB/MNF-I C2X BAGHDAD IZ

C O N F I D E N T I A L SECTION 01 OF 03 ANKARA 000313

SIPDIS

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E.O. 12958: DECL: 02/14/2017
TAGS: [PREL](#) [ECON](#) [MARR](#) [ETRD](#) [FR](#) [AM](#) [TU](#)
SUBJECT: TURKEY: IMPACT OF THE ARMENIA BILL ON
TURKEY-FRENCH RELATIONS

REF: ANKARA 252

Classified By: DCM Nancy McEldowney for reasons 1.4 (b) and (d)

¶1. (C) SUMMARY: French interests in Turkey have suffered as a result of votes taken by the French National Assembly to recognize (in 2001) the events of 1915 as a "genocide," and then in October 2006 to criminalize the denial of those events. In the case of the former, French embassy officials here in Turkey tell us it took nearly four years for relations to return to normal; in the aftermath of the October 2006 vote political and bilateral military relations were greatly strained. However, French business interests fared far better: Consumer boycotts of French products fizzled within a few weeks and French firms have won major contracts in recent months to build both a communications satellite and a major new telecommunications system for a government parastatal. The French experience may be a useful bellwether of things to come in U.S.-Turkish relations, but the greater complexity of our relationship and the fact that American action on this issue is perceived as the most

significant leads us to project an even more problematic road ahead. END SUMMARY

THE FRENCH EXPERIENCE - A USEFUL BAROMETER?

¶2. (C) The nature of the U.S.-Turkish relationship differs significantly from Turkey's ties to France. Turkey views France through the prism of what is seen here as anti-Turkey sentiment in France. The perception that the May 2005 referendum on the EU constitution failed in large measure due to fears among the French public of Turkish accession to the EU, that the French government remains lukewarm at best toward Turkish accession, and continued vocal opposition to Turkish accession by presidential aspirant Nicolas Sarkozy all contributed to a feeling in Turkey that the passage of legislation related to genocide could only be expected. High levels of anti-Americanism deriving from public opposition to U.S. foreign policies notwithstanding, Turks generally perceive the United States as a long-term strategic partner that has stood by Turkey for decades. The first-time passage of a genocide-related resolution in the United States Congress would be a major blow to many Turks' sense of themselves as members of the broader "West" and would very possibly be taken much more personally. Contacts have warned us to expect a harsher retaliatory reaction.

TURKISH POLITICAL REACTION TO THE FRENCH NATIONAL ASSEMBLY GENOCIDE BILL

¶3. (C) Anti-French sentiment ran high in the immediate aftermath of the October 12, 2006 passage of the bill criminalizing denial of the Armenian genocide in the French National Assembly. The GOT had earlier warned GOF officials that passage of the bill would severely harm bilateral relations, but had not explicitly stated what the repercussions might be. Shortly after passage, the Prime Ministry issued an edict to all GOT agencies, instructing them to stop all official contacts and initiatives with French counterparts except those deemed to be clearly in the "national interest" (Turkish). And even in these cases, ministry officials needed Prime Ministry approval to move forward.

¶4. (C) The impact of this edict was extensive. The French Ambassador here has not been received by any ministerial-level GOT officials since October. While the PM's foreign policy advisor, Ahmet Davutoglu, did approach the French Ambassador in late December to discuss events in the Middle East, he has not had similarly high-level talks with anyone before or since.

¶5. (C) Many Turkish politicians, including PM Erdogan, urged public caution in the aftermath of the October 12 vote, noting the bill still had to be passed by the French Senate to become law. However, ruling Justice and Development Party (AKP) Deputy Murat Mercan noted to us that the GOT felt it had to create the perception with the Turkish public that it had taken strong retaliatory measures to satisfy domestic pressure to "stand up" to the French. To that end, an AKP deputy introduced a bill in October accusing France of having committed genocide during Algeria's fight for independence (the AKP subsequently shunted it off to a subcommittee).

FRENCH DEFENSE INTERESTS MOST PROFOUNDLY IMPACTED

¶6. (C) France's military interests and defense industry suffered most profoundly as a result of Turkish reaction to the October 12 vote. The Turkish military moved swiftly to cut bilateral ties. While Turkish-French military cooperation in NATO-related operations would continue as usual, any cooperation in the bilateral context would be canceled. And they quickly made good on their promise, pulling Turkish military cadets from the French military academy at Saint-Cyr.

¶7. (C) Commander in Chief of Turkish Land Forces General Ilker Basbug announced November 15 that official mil-mil relations between Turkey and France had been "suspended." Defense Minister Gonul announced at a November 16 press conference about Turkey's International Defense Fair (IDEF), to be held in May 2007 in Ankara, that France would not be invited to participate (although clarifying later in response to questions that French companies would be able to participate if they applied).

¶8. (C) Regarding French defense companies, Turkish Chief of Defense (CHOD) General Buyukanit noted that following the French Parliament's passage of an Armenian genocide resolution in 2001, Turkey had canceled a tender for an intelligence satellite that had been awarded to France's Alcatel, resulting in added expense and lost time for Turkey in moving forward with the project. French embassy officials told us it took four years for France's relationship with Turkey to recover. Now, however, French military contractors remain in Turkey working on other existing military contracts and it is too soon to say to what extent France's defense industry will be impacted by the Turkish military's tough stand. The GOT expects to finalize its decision on the purchase of up to 50 attack helicopters by March 30. The Rooivalk, produced by South African firm Denel but comprised of anywhere from 40%-60% French-origin content, is thought to be the front-runner. There have been no procurements of large weapons systems since the October vote, so the French will be watching the helicopter decision closely as a sign of what the future may hold.

FRENCH BUSINESS: MINOR IMMEDIATE IMPACT, LONG TERM MORE DIFFICULT TO QUANTIFY

¶9. (C) French business interests in Turkey have been impacted by the passage of the resolution, though not as much as feared. The Turkish Consumers' Rights Union called for a boycott of French products in the aftermath of the French Assembly vote, focusing each week on the products of one French company. The boycott began by targeting Total petroleum products. However, Turkish business leaders quickly pointed out that such boycotts could actually harm Turkish interests more -- they recognized the thin line between French imports and products produced and sold in Turkey by French-origin multinational companies. As an example, the Renault vehicles commonly found on Turkish roads are, by and large, produced in Turkish factories by Turkish workers. In the days and weeks after the vote, French-owned or affiliated companies began emphasizing their "Turkishness," flying oversized Turkish flags in front of Renault, Peugeot, and Citroen dealerships and boldly printing statements on packages of Danon yogurt products proclaiming they are "produced in Turkey by Turks." The French DCM noted that sales at Carrefour stores throughout Turkey suffered in the first day or two following the vote, but quickly returned to normal.

¶10. (C) The president of Turkey's leading business federation, the Turkish Union of Chambers and Commodity Exchanges (TOBB), criticized the GOT for its inability to play the state tender "trump card" prior to the French vote. He said Turkey could have used its nuclear plant or defense tenders to persuade France not to bring the legislation to the agenda. In the end, however, it seems the GOT has not even been willing to block French involvement in ongoing tenders after the vote. Large commercial contracts involving a commercial satellite deal between Turksat and Alcatel, and involving a telecommunications system enlargement and integration project for the Turkish state pipeline organization (BOTAS) with Alcatel, have not been affected. Turkish press reported recently that a French company had signed a contract worth \$800 million to do highway upgrades while another French firm won an 800 million Euro contract to renovate the railroad line between Gebze and Haydarpasa near Istanbul. The French are also watching closely the GOT announcement of a tender on Istanbul's subway system in which French firms hope to be involved. The GOT has pushed off a

decision on selecting a partner to develop Turkey's nuclear power capability until late this year or sometime in 2008, a project for which French firms are expected to compete. While the French embassy here feared the worst in the area of public procurement, and French commercial business held similar fears for their own interests, it seems that to date the impact on French business in both areas has been minor.

¶11. (C) COMMENT: Whether steps the GOT has taken against French interests are a bellwether of future reaction to a resolution passed by Congress is still unclear. CHOD Buyukanit said as he prepared to depart for Washington February 10 that Turkey's relations with different countries differ, and how Turkey might react to events in those countries would differ as well. Most argue the reaction will be harsher given anti-American currents streaming through the Turkish public now.

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